
DIGEST

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HB No. 845

Abstract: Requirements for private contracts for audit activities related to the collection of local sales and use tax, including taxpayer privacy protection, limitations on contractor activities, and specific provisions for contracts.

Present law authorizes any taxing authority to contract for the examination or investigation of businesses, tangible personal property, books, etc., of any taxpayer for purposes of enforcement and collection of any tax imposed by the taxing authority.

Present law requires the taxing authority to notify a taxpayer of an impending audit and provide information relating to the purpose of the audit, taxpayer rights, and identification of the entity conducting the audit.

Proposed law retains present law and adds additional requirements for contracts with private agencies or audit firms which include: limitations on the sharing of audit leads with other tax collectors, limitations related to the confidentiality of taxpayer records, credentials required for lead auditors, and disclosure of how the private agency or audit firm will be paid for its services.

Proposed law provides that contracts with private agencies or audit firms may be subject to review and oversight by the legislative auditor. Further, requires contracts entered into after July 1, 2010, to contain a certification by the local collector and contractor that the terms and conditions of the contract are in compliance with the requirements of the provisions of proposed law.

Proposed law provides for disposition of taxpayer records after the completion of the audit, and specifies that a private agency or auditing firm may retain taxpayer books and records until the termination of any legal proceedings related to an audit or examination.

Proposed law authorizes contracts between a tax collector and a private agency or auditing firm for the storage of documents otherwise required to be retained by the tax collector.

Proposed law shall be applicable to audits commenced after the effective date of proposed law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:337.26(C) and (D)(1)(intro. para.) and (c); Adds R.S. 337.26(D)(3), (F), and (G))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Added provision whereby a taxpayer may waive confidentiality requirements related to his records.
2. Limited the specific educational requirements to lead auditors only.
3. Added provision authorizing a private agency or auditing firm to retain taxpayer records until the termination of any legal proceedings related to an audit or examination.
4. Regarding the requirement of proposed law whereby the contracts must be in conformity with proposed law, added specification that such requirement applies to contracts entered into after July 1, 2010.

House Floor Amendments to the engrossed bill.

1. Added provision authorizing the tax collector to contract with a private agency or auditing firm for the storage of documents otherwise required to be retained by the tax collector.